

REFERENCE TITLE: mortgage interest deduction

State of Arizona  
Senate  
Forty-seventh Legislature  
Second Regular Session  
2006

## **SCM 1003**

Introduced by  
Senator Martin

### A CONCURRENT MEMORIAL

URGING THE UNITED STATES CONGRESS TO REJECT ATTEMPTS TO LOWER THE MORTGAGE INDEX DEDUCTION IN THE INTERNAL REVENUE CODE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 To the Congress of the United States of America:  
2 Your memorialist respectfully represents:  
3 Whereas, it has been the federal tax policy since the inception of the  
4 Internal Revenue Code to encourage home ownership; and  
5 Whereas, the real estate industry generates 15 to 18 per cent of the  
6 gross domestic product, and the housing market has been the most vibrant  
7 sector of our state and national economies in the past five years, fueling  
8 much of the 2001-2002 economic recovery; and  
9 Whereas, home ownership in Arizona and the United States is at record  
10 levels with more than 70 per cent of families owning their own homes; and  
11 Whereas, homes are the foundations of our culture, the basis for our  
12 community life and the bedrock value of the American dream; and  
13 Whereas, with a low national savings rate and the impending retirement  
14 of the baby boom generation, home ownership and its resulting equity growth  
15 is in itself a method of savings and capital formation and should be  
16 encouraged; and  
17 Whereas, the capital invested in housing and the equity it generates  
18 should be preserved for families and is generally the prime savings choice  
19 for lower and middle income Americans; and  
20 Whereas, real estate and home ownership is almost always acquired with  
21 debt of some sort; and  
22 Whereas, the current \$1 million cap on mortgage indebtedness as a  
23 measure of allowable mortgage interest deductions was adopted nearly 20 years  
24 ago in 1987 and has not been indexed for inflation; and  
25 Whereas, the Tax Reform Act of 1986 provided ample evidence that when  
26 the tax benefits associated with real estate ownership are curtailed, the  
27 value of real estate declines; and  
28 Whereas, the President's Advisory Panel on Tax Reform has suggested  
29 lowering the cap on mortgage interest deductions; and  
30 Whereas, any change in lowering the mortgage cap would cause a  
31 government-created collapse of housing prices, wiping out equity and wealth  
32 for millions of working families across this nation; and  
33 Whereas, any change in lowering the mortgage cap would create a further  
34 barrier to home ownership for young families by diminishing the savings  
35 families could have in their homes and would lead to a decline in the  
36 homeownership rate.  
37 Wherefore your memorialist, the Senate of the State of Arizona, the House of  
38 Representatives concurring, prays:  
39 1. That the United States Congress reject any attempt to lower the  
40 mortgage index deduction in the Internal Revenue Code.  
41 2. That the United States Congress enact legislation raising the  
42 current mortgage cap and index it for inflation.  
43 3. That the Secretary of State of the State of Arizona transmit copies  
44 of this Memorial to the President of the United States Senate, the Speaker of  
45 the United States House of Representatives and each Member of Congress from  
46 the State of Arizona.